May 2022

Canada Market Structure Monthly

MARKET MICROSTRUCTURE OBSERVATIONS

• The average daily volume for TSX listed securities increased in May 2022 by 12% MoM to 855M shares and up 6% YoY. Liquidity, spread and volatility conditions deteriorated MoM and are now resting at 12-month lows.

• For non-TSX listed securities, the average daily volume dropped to 337M shares, representing a 21% decrease MoM and a 48% decrease YoY. Non-TSX listed securities also saw MoM deterioration in the liquidity, spread and volatility conditions and are at 12-month lows.

• From their high earlier in 2022 (February), TSX block volumes continued to decline towards their longer-term average of 10%.

CANADA MARKET STRUCTURE NEWS

TSX Requests Comments on Proposal to Change Long Life Order Allocation Priority

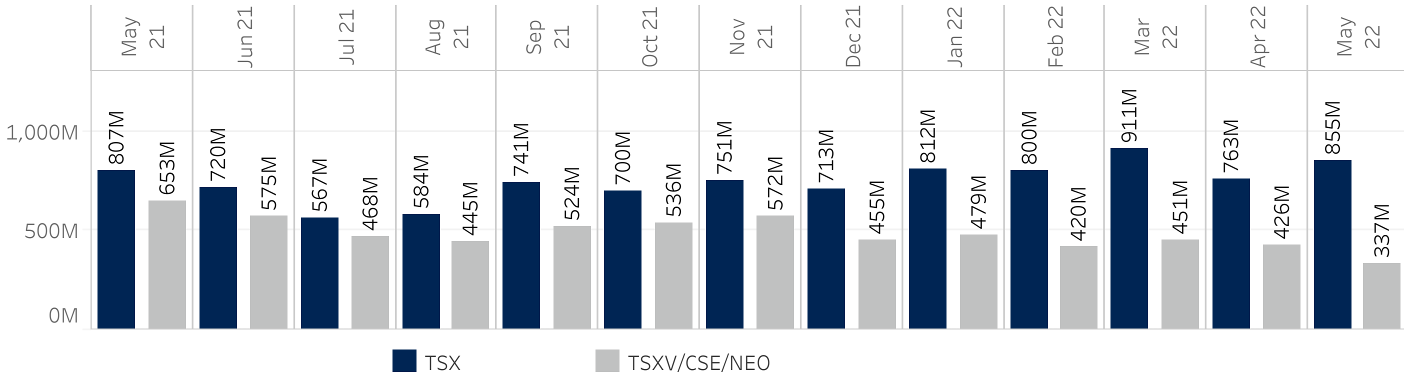
The TSX has asked for comments on its proposed changes to the allocation priority for long-life orders. The TSX introduced long-life orders in 2015, saying, "By choosing to use the long-life order type, participants can effectively and confidently trade on Toronto Stock Exchange (TSX) and TSX Venture Exchange (TSXV) without having to compete on speed." However, the TSX is now eliminating some of the long-life order benefits by allowing price-setting orders (the first order at the bid/offer) to keep their time priority over later long-life orders.

According to the TSX other low latency participants have been using long-life orders to the detriment of price-setting orders, which long-life orders were not intended for. It would be ideal if the TSX quantified how often the long-life tailgating occurs based on latency statistics. https://www.tsx.com/trading/toronto-stock-exchange/trading-notices/2021-archive?id=189
https://www.tmx.com/newsroom/press-releases?id=352
https://www.osc.ca/en/industry/market-regulation/marketplaces/exchanges/recognized-exchanges/tmx-group-inc-and-tsx-inc-69

TSX Requests Comment for Adding Passive Dark Liquidity Order Type

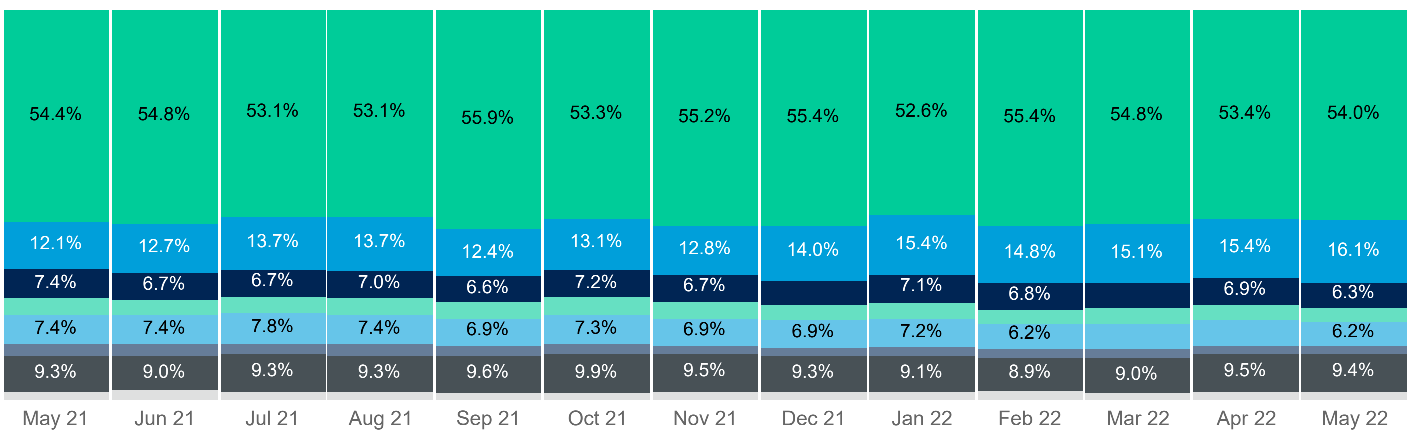
Commentaries are requested by the TSX on a proposed new order type for passive dark liquidity (PDL). TSX participants using PDL, would be able to send aggressively priced orders that could interact with other dark orders and post passively inside the quote without crossing the spread against lit orders.
https://www.tsx.com/trading/toronto-stock-exchange/trading-notices?id=190&lang=en

Average Daily Market Volume By Listing Exchange (Shares)

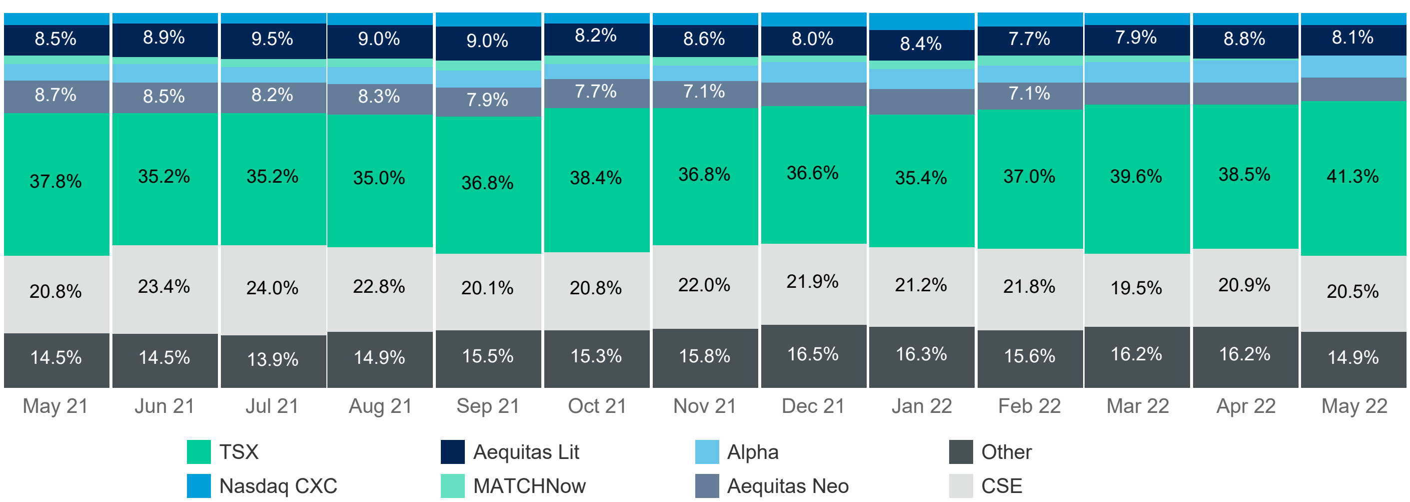


Source data: Virtu Financial

Venue Market Share (TSX-Listed)

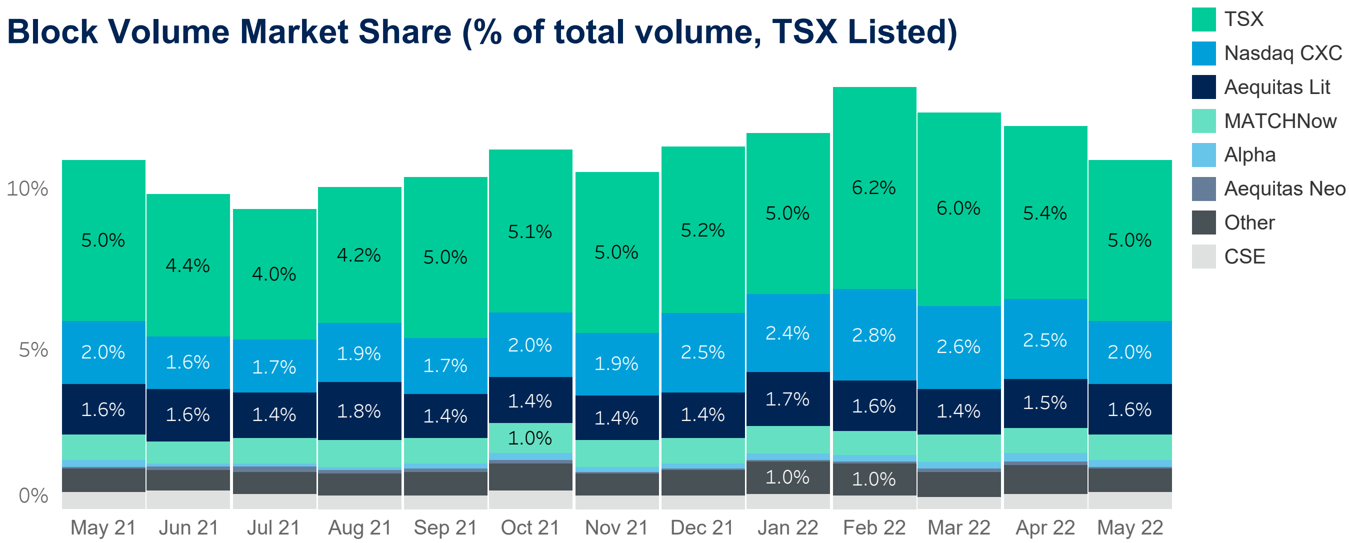


Venue Market Share (Non-TSX-Listed)

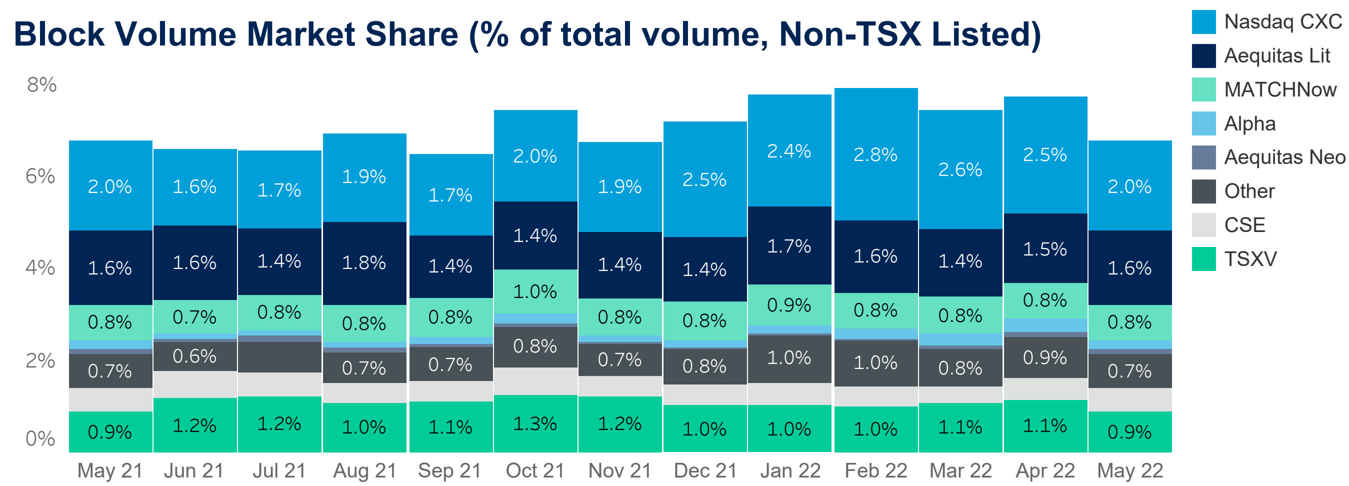


Source data: Virtu Financial

Block Volume Market Share (% of total volume, TSX Listed)

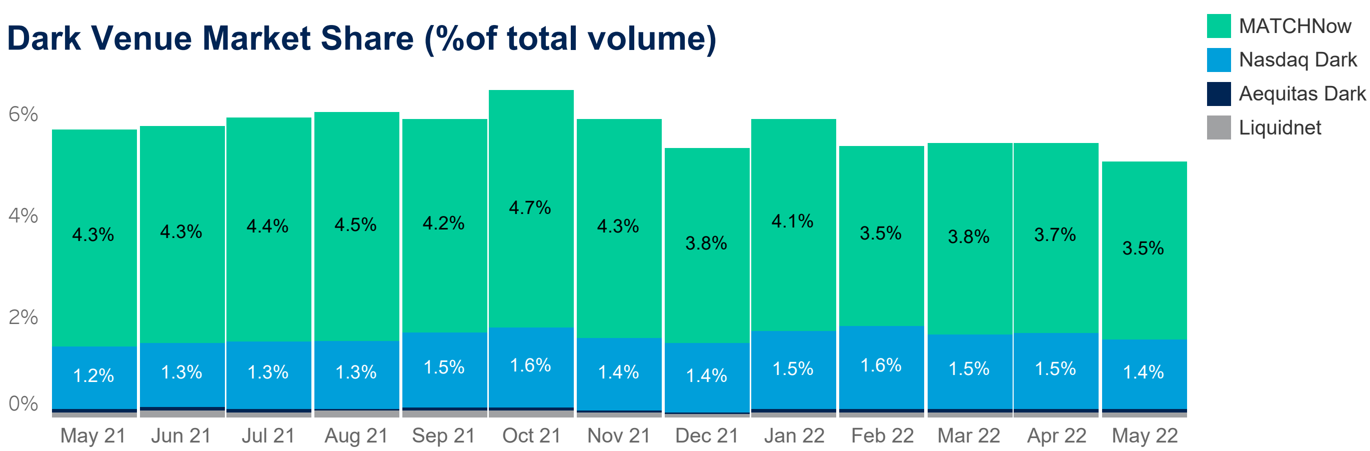


Block Volume Market Share (% of total volume, Non-TSX Listed)



Blocks defined as >5100 shares and > $30,000 CAD or >=$100K CAD; Source data: Virtu Financial

Dark Venue Market Share (%of total volume)



TSX listed securities only; Source data: Virtu Financial

Quotesize in Shares

		2Q 21		3Q 21			4Q 21			1Q 22			2Q 22	
		May 21	Jun 21	Jul 21	Aug 21	Sep 21	Oct 21	Nov 21	Dec 21	Jan 22	Feb 22	Mar 22	Apr 22	May 22
First 30 Min	S&P/TSX 60	811	880	841	862	912	887	836	866	818	759	800	807	786
	S&P/TSX Composite	958	1,082	991	1,019	1,063	1,089	994	1,050	978	888	949	999	961
	Non-TSX-Listed	8,492	7,778	6,394	5,729	6,073	6,360	6,702	5,071	5,189	5,000	6,079	5,540	5,120
Mid Day	S&P/TSX 60	1,015	1,108	1,038	1,050	1,093	1,094	1,020	1,005	968	921	952	915	914
	S&P/TSX Composite	1,211	1,329	1,211	1,250	1,286	1,322	1,221	1,230	1,173	1,099	1,138	1,144	1,151
	Non-TSX-Listed	6,481	5,900	5,000	4,600	4,900	5,292	5,000	4,165	4,050	4,265	5,300	5,170	4,828
Last 30 Min	S&P/TSX 60	1,242	1,319	1,239	1,253	1,299	1,274	1,217	1,127	1,068	1,009	1,036	974	985
	S&P/TSX Composite	1,492	1,580	1,448	1,474	1,507	1,527	1,457	1,432	1,348	1,276	1,321	1,274	1,253
	Non-TSX-Listed	7,992	7,111	6,033	5,600	5,904	6,383	5,900	5,000	4,774	4,625	5,606	5,300	5,103

Spread Bps

		May 21	Jun 21	Jul 21	Aug 21	Sep 21	Oct 21	Nov 21	Dec 21	Jan 22	Feb 22	Mar 22	Apr 22	May 22
First 30 Min	S&P/TSX 60	5.3	4.7	5.1	4.8	4.9	4.9	5.4	5.4	5.6	5.6	5.9	5.8	6.4
	S&P/TSX Composite	11.7	10.7	11.7	11.2	10.9	10.5	10.7	11.3	11.2	11.3	11.7	11.8	13.8
	Non-TSX-Listed	175.1	166.7	174.0	164.9	170.1	170.5	163.9	175.4	172.4	163.1	175.4	170.5	204.9
Mid Day	S&P/TSX 60	3.3	3.2	3.4	3.2	3.2	3.3	3.4	3.4	3.5	3.4	3.6	3.5	4.0
	S&P/TSX Composite	7.2	6.7	7.0	6.9	6.8	7.0	7.2	7.4	7.6	7.5	7.4	7.3	8.7
	Non-TSX-Listed	136.7	135.1	132.3	125.0	128.2	128.6	123.2	122.0	124.2	122.2	132.7	129.0	145.0
Last 30 Min	S&P/TSX 60	2.8	2.6	2.7	2.5	2.5	2.5	2.7	2.9	2.8	2.8	2.7	2.7	3.0
	S&P/TSX Composite	6.3	5.8	6.0	6.0	5.8	6.0	6.1	6.4	6.5	6.6	6.3	6.3	7.3
	Non-TSX-Listed	135.8	133.4	131.6	124.3	129.9	126.8	123.5	125.7	125.5	125.5	133.3	129.0	147.1

One Minute Volatility Bps

		May 21	Jun 21	Jul 21	Aug 21	Sep 21	Oct 21	Nov 21	Dec 21	Jan 22	Feb 22	Mar 22	Apr 22	May 22
First 30 Min	S&P/TSX 60	12.8	10.5	10.7	11.0	11.9	11.7	11.6	13.3	13.9	13.8	15.4	14.3	17.0
	S&P/TSX Composite	18.0	14.2	15.2	15.2	15.6	15.3	15.1	17.5	17.8	17.8	19.0	17.6	20.9
	Non-TSX-Listed	19.0	16.7	17.7	18.0	19.6	17.5	19.9	24.0	24.1	22.7	18.6	21.3	36.5
Mid Day	S&P/TSX 60	3.7	3.1	3.5	3.3	3.7	3.4	3.5	4.4	5.2	4.9	5.3	5.0	7.3
	S&P/TSX Composite	4.4	3.4	3.9	3.4	3.9	3.7	3.9	4.7	5.7	5.5	6.0	5.6	8.2
	Non-TSX-Listed	5.8	5.0	6.1	5.7	6.3	5.8	5.8	7.1	9.2	7.1	6.3	7.2	12.5
Last 30 Min	S&P/TSX 60	4.1	3.4	3.6	3.1	3.5	3.3	3.4	4.5	5.2	5.4	5.2	4.9	7.5
	S&P/TSX Composite	4.4	3.4	3.4	2.9	3.4	3.2	3.4	4.5	5.1	5.3	5.2	5.0	7.3
	Non-TSX-Listed	5.4	4.4	5.4	5.2	6.8	4.9	4.9	6.7	8.6	6.2	5.6	6.6	11.3

Percent MDV by Time of Day

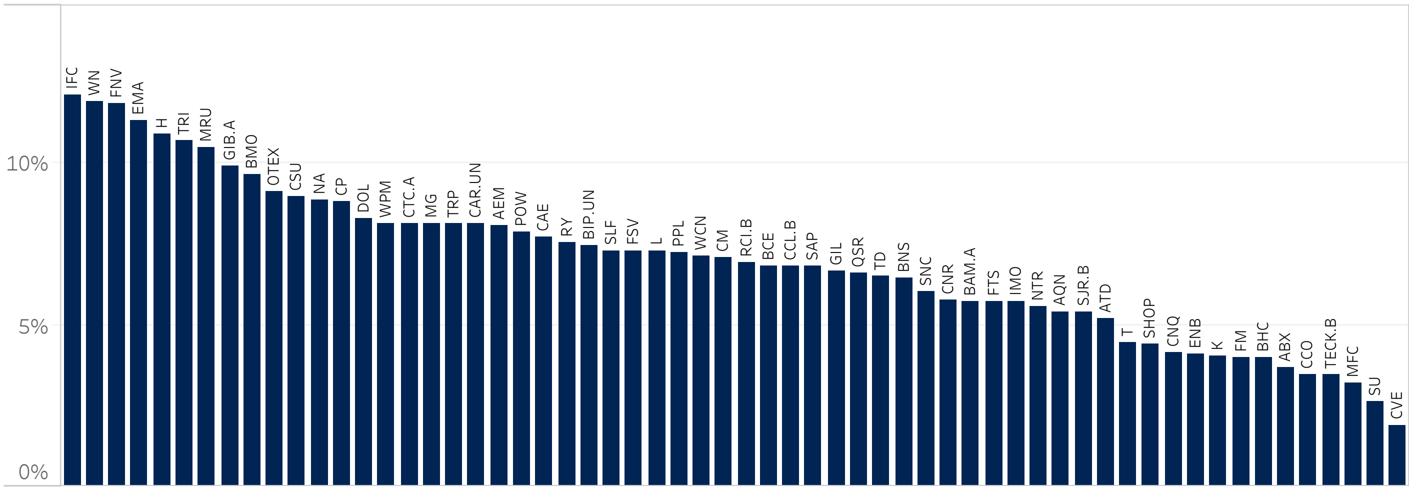
Open	S&P/TSX 60	0.6%	0.6%	0.6%	0.6%	0.7%	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%
	S&P/TSX Composite	0.5%	0.5%	0.6%	0.5%	0.6%	0.5%	0.5%	0.6%	0.6%	0.5%	0.5%	0.6%	0.6%
	Non-TSX-Listed	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

First 30 Min	S&P/TSX 60	14.4%	13.8%	13.1%	13.2%	14.5%	14.1%	14.3%	13.5%	12.8%	13.4%	13.4%	12.6%	12.6%
	S&P/TSX Composite	14.6%	13.6%	14.0%	13.8%	14.2%	14.1%	14.3%	13.3%	12.5%	13.4%	13.8%	12.8%	12.6%
	Non-TSX-Listed	18.7%	19.4%	19.0%	17.9%	18.4%	18.8%	19.4%	17.3%	17.4%	17.5%	17.1%	18.0%	18.7%
Last 30 Min	S&P/TSX 60	33.8%	36.9%	32.0%	29.8%	31.8%	29.7%	31.5%	34.2%	33.5%	35.1%	34.8%	39.2%	36.9%
	S&P/TSX Composite	24.3%	24.7%	24.9%	22.4%	22.8%	22.1%	23.5%	25.2%	23.2%	26.2%	25.5%	25.3%	26.7%
	Non-TSX-Listed	9.1%	9.3%	9.0%	8.7%	8.7%	8.1%	8.3%	8.0%	8.4%	8.9%	8.2%	7.6%	7.2%

Close	S&P/TSX 60	11.3%	9.7%	6.6%	7.0%	7.0%	6.4%	6.6%	7.3%	6.4%	6.9%	6.7%	7.8%	6.9%
	S&P/TSX Composite	3.7%	4.2%	3.7%	3.7%	4.2%	3.2%	3.2%	3.8%	3.7%	3.7%	3.6%	4.0%	3.9%
	Non-TSX-Listed	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Median used for all metrics
One minute volatility is calculated using the difference between the high and low price within a one minute time bin, divided by that bin's VWAP
Source data: Virtu Financial

May 2022 Median MOC % of Daily Volume - S&P/TSX 60



Source data: Virtu Financial

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